

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**  
**STATEMENT OF FINANCIAL POSITION**  
*December 31, 2013*

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**ASSETS**

Current assets	
Cash, First Interstate Bank	\$ 156,069.81
Accounts receivable - Asarco documents	22,657.04
Due from other cost centers	-
Total current assets	<u>178,726.85</u>
Investments, JP Morgan Chase	79,679,838.51
Total assets	<u><u>\$ 79,858,565.36</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable	\$ 2,151,647.04
Retention hold-back payable	252,620.31
Due to other cost centers	435.75
Total current liabilities	<u>2,404,703.10</u>
Net assets	77,453,862.26
Total net assets and liabilities	<u><u>\$ 79,858,565.36</u></u>

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*For the quarter and year ending December 31, 2013*

	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
<b>Revenues:</b>					
2.RNT · Rental Income	\$ -	\$ 3,445.00			
2.RNT.b · Agricultural Tenants	-	36,990.00			
2.RNT.c · Slag Pile	-	40,435.00			
2.RNT · Rental Income Total	-	77,425.00			
Investment income, net of fees	360,793.47	1,387,330.36			
Unrealized gains (losses)	(13,548.50)	(634,408.96)			
Total revenues (losses)	347,244.97	793,356.40			
<b>Expenses:</b>					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	40,284.51	160,030.69	174,758.00	(14,727.31)	91.57%
2.A.3 · WTP/NPDES Regulatory Compliance	-	-	11,988.00	(11,988.00)	0.00%
Total 2.A · Water Treatment Plant	40,284.51	160,030.69	186,746.00	(26,715.31)	85.69%
2.B · General Site Operations					
2.B.1 · Routine O&M	20,865.28	79,991.35	77,277.00	2,714.35	103.51%
2.B.2 · Office Operations	1,236.03	10,298.93	34,771.00	(24,472.07)	29.62%
2.B.3 · Safety	6,009.18	56,010.84	133,915.00	(77,904.16)	41.83%
2.B.5 · Non-Routine O&M	(248.59)	8,964.00	29,446.00	(20,482.00)	30.44%
2.B.6 · Emergency Response	-	8,459.93	20,000.00	(11,540.07)	42.30%
2.B.7 · Modular Offices	1,413.80	7,298.23	5,000.00	2,298.23	0.00%
Total 2.B · General Site Operations	29,275.70	171,023.28	300,409.00	(129,385.72)	56.93%
2.C · Waste Disposal					
2.C.1 · HDS	-	529.37	4,000.00	(3,470.63)	13.23%
2.C.2 · Contaminated Debris	-	31.00	13,400.00	(13,369.00)	0.23%
2.C.3 · Other	745.20	8,238.01	10,100.00	(1,861.99)	81.56%
Total 2.C · Waste Disposal	745.20	8,798.38	27,500.00	(18,701.62)	31.99%
2.D · Slag Pile Reprocessing	-	62.00	55,500.00	(55,438.00)	0.11%

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	4th QTR	YTD	Approved Budget	Variance	Percentage of Budget
2.E · Tenants					
2.E.2 · Agricultural Tenants	-	4,838.50	8,500.00	(3,661.50)	56.92%
2.E.4 · Other	-	2,430.80	8,000.00	(5,569.20)	30.39%
Total 2.E · Tenants	-	7,269.30	16,500.00	(9,230.70)	44.06%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	201.50	3,642.50	10,000.00	(6,357.50)	36.43%
2.F.5 · CAMU O&M	2,294.00	13,666.99	10,000.00	3,666.99	136.67%
Total 2.F · RCRA Compliance	2,495.50	17,309.49	22,000.00	(4,690.51)	78.68%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	-	3,115.00	30,000.00	(26,885.00)	10.38%
Total 2.I · Risk Assessment	-	3,115.00	55,000.00	(51,885.00)	5.66%
2.J · Interim Measures					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	206,753.38	830,891.72	1,260,000.00	(429,108.28)	65.94%
2.J.1b · SPHC IM Construction	1,758,468.51	4,153,403.81	4,347,340.00	(193,936.19)	95.54%
2.J.1 · SPHC IM Design & Construction	1,965,221.89	4,984,295.53	5,607,340.00	(623,044.47)	88.89%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	138,497.27	543,740.75	580,000.00	(36,259.25)	93.75%
2.J.2b · ET Cover IM Construction	294,686.80	3,222,073.88	3,721,585.00	(499,511.12)	86.58%
2.J.2 · ET Cover IM Design & Construction	433,184.07	3,765,814.63	4,301,585.00	(535,770.37)	87.54%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	90,884.03	185,282.25	275,000.00	(89,717.75)	67.38%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	90,884.03	185,282.25	275,000.00	(89,717.75)	67.38%

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2.J.4 · IM/RCRA Support					
2.J.4a · IM Work Plan(s)	49,705.45	88,007.08	100,000.00	(11,992.92)	88.01%
2.J.4b · Corrective Measures Study	23,299.42	164,352.87	165,000.00	(647.13)	99.61%
2.J.4c · Groundwater Flow/Contaminant Model	6,918.75	90,935.65	110,000.00	(19,064.35)	82.67%
2.J.4d · Controlled Groundwater Area	9,765.25	50,654.90	175,000.00	(124,345.10)	28.95%
2.J.4e · 2013 FSAP Implementation	106,334.70	364,090.56	468,000.00	(103,909.44)	77.80%
2.J.4g · Long-term Planning	-	-	75,000.00	(75,000.00)	0.00%
2.J.4h · Finalize Phase II RFI	-	2,183.57	15,000.00	(12,816.43)	14.56%
2.J.4i · Conceptual Site Models	7,001.20	98,026.90	150,000.00	(51,973.10)	65.35%
2.J.4 · IM/RCRA Support	203,024.77	858,251.53	1,258,000.00	(399,748.47)	68.22%
2.J.5 · Design Management/Execution					
2.J.5a · Management/IM Development	109,249.86	418,331.91	1,125,000.00	(706,668.09)	37.19%
2.J.5b · Schedule	16,597.59	78,086.58	132,000.00	(53,913.42)	59.16%
2.J.5c · Financial Affairs and Reporting	42,709.85	186,409.74	267,000.00	(80,590.26)	69.82%
2.J.5d · Sub-contracting	3,532.70	41,511.59	72,000.00	(30,488.41)	57.65%
2.J.5e · SOW/PO Development	24,210.34	105,527.75	200,000.00	(94,472.25)	52.76%
2.J.5f · Direct Expenses	13,388.80	38,056.79	195,000.00	(156,943.21)	19.52%
2.J.5g · ROM Cost Estimate Update	-	-	60,000.00	(60,000.00)	0.00%
2.J.5h · Project Insurance Premium	82,846.00	82,846.00	82,850.00	(4.00)	100.00%
2.J.5 · Design Management/Execution	292,535.14	950,770.36	2,133,850.00	(1,183,079.64)	44.56%
Total 2.J · Interim Measures	2,984,849.90	10,744,414.30	13,575,775.00	(2,831,360.70)	79.14%
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	33,500.00	(33,500.00)	0.00%
2.K.2 · System Maintenance	-	-	36,000.00	(36,000.00)	0.00%
Total 2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	3,591.00	6,722.00	70,000.00	(63,278.00)	9.60%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	45,476.37	120,076.13	90,000.00	30,076.13	133.42%
2.N.4 · Design/Construction Audit Service	-	-	60,000.00	(60,000.00)	0.00%
Total 2.N · Financial Affairs	45,476.37	120,076.13	150,000.00	(29,923.87)	80.05%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	80,000.00	(80,000.00)	0.00%
2.O.2 · Redevelopment Support	-	2,914.25	5,000.00	(2,085.75)	58.29%
Total 2.O · Redevelopment	-	2,914.25	85,000.00	(82,085.75)	3.43%

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2.P · Community Relations					
2.P.1 · General Meetings	230.00	230.00	10,000.00	(9,770.00)	2.30%
2.P.2 · RCRA Annual Public Meeting	804.69	804.69	4,000.00	(3,195.31)	20.12%
2.P.3 · East Helena Website	500.76	913.26	15,000.00	(14,086.74)	6.09%
2.P.4 · Community Involvement/Relations	-	-	75,000.00	(75,000.00)	0.00%
2.P.5 · New Signage	3,500.00	3,577.50	9,500.00	(5,922.50)	37.66%
Total 2.P · Community Relations	5,035.45	5,525.45	113,500.00	(107,974.55)	4.87%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	8,314.96	42,702.21	84,000.00	(41,297.79)	50.84%
2.R.2 · In-House Legal Services	8,437.50	28,856.25	56,250.00	(27,393.75)	51.30%
Total 2.R · Legal Support Total	16,752.46	71,558.46	140,250.00	(68,691.54)	51.02%
2.T · Trustee Management & Support					
2.T.4 · RCRA PM	72,450.00	317,812.50	349,440.00	(31,627.50)	90.95%
2.T.5 · Administrative Staff	-	-	-	-	0.00%
2.T.6 · Compliance Manager	4,120.00	16,590.69	80,000.00	(63,409.31)	20.74%
2.T.7 · Operations Manager	27,739.25	134,307.25	92,400.00	41,907.25	145.35%
2.T.8 · Support Staff	12,448.60	57,008.99	121,000.00	(63,991.01)	47.11%
2.T.9 · Project Controls Manager	8,505.00	54,630.80	150,000.00	(95,369.20)	36.42%
2.T.10 · Construction Mgmt Support/Inspection	-	-	-	-	0.00%
2.T.11 · Trustee Mgmt EH Clean Up	138,829.75	495,262.50	397,800.00	97,462.50	124.50%
2.T.12 · Trustee Land Use & Re-use	1,012.50	5,962.50	70,200.00	(64,237.50)	8.49%
2.T.13 · Trustee Travel and Directs	14,122.05	16,743.98	20,000.00	(3,256.02)	83.72%
Total 2.T · Trustee Management & Support Total	279,227.15	1,098,319.21	1,280,840.00	(182,520.79)	85.75%
Total expenses	3,407,733.24	12,417,137.94	16,148,520.00	(3,731,382.06)	76.89%
Change in net assets	(3,060,488.27)	(11,623,781.54)	(16,148,520.00)		
Net assets, beginning of period	80,514,350.53	89,077,643.80			
Net assets, end of period	<u>\$ 77,453,862.26</u>	<u>\$ 77,453,862.26</u>			

(1) 2012 net assets restated by \$107,791.04 for expenses incurred in 2012 which were reconciled with the vendor in 2013

(2) In May of 2013 the position of Director of Environmental Programs was added to the Custodial Trust East Helena management team. After consultation with EPA, costs for this position were charged to Cost Center 2.T.11—Trustee Management EH Cleanup, although funds for this position were covered in the previously approved budgets for the following:

2.J.1—Interim Measures Cost Centers: 2.J.4.a—IM Work Plans; 2.J.4.b—CMS; 2.J.4.g—Long-Term Planning; 2.J.4.h—Phase II RFI; and 2.J.5.a—Project Management/IM Development.

Total charges of \$123,000 for the Director of Environmental Programs were billed to 2.T.11 in 2013. These additional costs for 2.T.11 were offset by reduced charges for other Trustee personnel (due to the transfer of responsibilities to the Director of Environmental Programs), which resulted in a net savings of approximately \$25,000.

